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SAPC-19291

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12 September 1957

MEMORANDUM FOR : [REDACTED] Office of General Counsel

SUBJECT : Renegotiation of AQUATONE contracts

REFERENCES : A. SAPC-5778 dtd 30 April 1957

B. SAPC-19012 dtd 21 August 1957

1. On the basis of Reference A Lockheed Aircraft Corporation was advised that Contract No. SP-1913 would not be subject to renegotiation. Reference B (copy attached) requests the applicability of the Renegotiation Act to Contract NY-A-501 with the Ramo-Wooldridge Corporation.

2. Contract No. SP-1913 contains only AQUATONE Funds. Subsequent contracts negotiated include AQUATONE funds commingled with Air Force funds, and in some instances, the contract contains only Air Force or Navy funds (Reference B). Neither the Renegotiation Act of 1951 nor the Vinson-Trammell act has been included in any of the aforementioned contracts.

3. As you are aware the only basis for procurement for other customers is one of security. The Director of Central Intelligence has authorized project procurement for the Air Force and the Navy for this reason only. Accordingly in our opinion this same consideration would preclude the use of renegotiation provisions.

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4. Your comments are requested prior to our reply to Reference B.

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[REDACTED]
Contracting Officer

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Project Security Office
PC/DCI [REDACTED] bas (9/12/57)

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Distribution:

Orig. - [REDACTED] OGC/w attachment

2. - Legal Opinion - *destroyed*

3. - NY-A-501

4. - Chrono (RI)

5- *Security*

DOCUMENT NO. *64*
NO CHANGE IN CLASS.
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: *2011*

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